

COUNCIL OF THE CITY OF SEAT PLEASANT, MARYLAND

Ordinance No.: O-18-10

Introduced by: City Council

Date Introduced: April 2, 2018

First Reading: April 2, 2018

Second Reading: April 9, 2018

Date Adopted: April 9, 2018

Date Effective: May 7, 2018

AN ORDINANCE concerning

CHAPTER 15 – Creation and Establishment of The Seat Pleasant Investment Corporation Entity (S.P.I.C.E)

FOR the purpose of enacting a new Chapter 15 of the Code of the City of Seat Pleasant, entitled “Creation and Establishment of The Seat Pleasant Investment Corporation Entity”; providing definitions and terminology associated therewith; providing for the creation, establishment and administration of the Seat Pleasant Investment Corporation; providing for the creation, funding, distribution, and use of the Seat Pleasant Investment Corporation’s assets; providing that the title of this Ordinance shall be deemed a fair summary, and generally relating to the Seat Pleasant Investment Corporation.

BY Enacting a New Chapter 15 – Seat Pleasant Investment Corporation Entity
Sections 15-1, 15-2, and 15-3
Code of the City of Seat Pleasant (1994 Edition, as amended)

WHEREAS, pursuant to § C-501(a) of the Charter of the City of Seat Pleasant (the “Charter”), the Council of the City of Seat Pleasant (the “City Council”) has the power to pass all such ordinances not contrary to the Constitution and laws of the State of Maryland or the Charter as it may deem necessary for the good government of the City of Seat Pleasant (the “City”); for the protection and preservation of the City’s property, rights, and privileges; for the preservation of peace and good order; and for securing persons and property from violence, danger, or destruction; and

WHEREAS, pursuant to § C-1304 of the Charter, the City shall have the power to do whatever may be necessary to protect City property and to keep all City property in good condition; and

WHEREAS, pursuant to Md. Code Ann., Local Gov't § 5-205(a), the City may provide for the control and management of its finances; and

WHEREAS, the City Council finds that there is a critical shortage of affordable and accessible housing and mixed-use development in the City; and

WHEREAS, many of the City's communities need assistance in order to begin or continue the process of neighborhood revitalization and economic development; and

WHEREAS, the City intends to enter into deals involving the investment, similar to stock purchase agreements through increasing funds for the Housing Trust Fund, selling subscription services to other municipalities of its Connected Government Solutions and other ventures; and

WHEREAS, the City does not have the capacity nor the expertise to manage stock purchase and similar agreements; and

WHEREAS, the City Council finds that creating a Seat Pleasant Investment Corporation Entity to manage all investment-related funds is sound public policy that will provide needed resources to support and strengthen the City's economic development goals; and

WHEREAS, the City Council desires to enact a new Chapter 15 of the City Code, entitled "Seat Pleasant Investment Corporation Entity"; provide definitions and terminology associated therewith; provide for the creation, establishment and administration of the Seat Pleasant Investment Corporation; and provide for the creation, funding, distribution, and use of the Seat Pleasant Investment Corporation's assets.

SECTION 1. BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that a new Chapter 15, entitled "Seat Pleasant Investment Corporation Entity", is hereby added to the Code of the City of Seat Pleasant, as follows:

CHAPTER 15 – Seat Pleasant Investment Corporation Entity

§ 15-1. Definitions.

As used in this Chapter, the following terms have the meanings stated:

- A. "Investments" shall mean and refer to the purchase of goods that are not consumed today but are used in the future to create wealth; in other words, a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit.

§ 15-2. Creation, Establishment and Administration of the SPICE~~?~~.

- A. The Seat Pleasant Investment Corporation Entity (SPICE) shall be created by the Mayor and

City Council through the activities of the Director of Economic Development as a separate corporate entity from the City of Seat Pleasant, in the name of “The Seat Pleasant Investment Corporation Entity.” SPICE shall be established as an S Corporation as a Maryland Stock Corporation, owned by “The City of Seat Pleasant, a Maryland municipal corporation”, into which shall be deposited investment-related funds from the City and/or interested outside investors, collected pursuant to § 15-3(A) of this Chapter.

- B. SPICE shall be administered by the Economic Development Department and managed by an Financial Advisor appointed by the Mayor and approved by the City Council, who shall account for the SPICE. The Board of Directors for SPICE shall be comprised of the Mayor, City Administrator, and the Director of Economic Development, and shall have oversight and final authority over all matters relating to the SPICE, including approval of all decisions regarding the SPICE monies, subject to consideration of the Financial Advisor’s recommendations and except as otherwise stated in this Chapter. The SPICE investment projects shall be recommended by the Financial Advisor and decided by the Board of Directors.
- C. The SPICE may utilize a separate, independent entity to invest its proceeds in furtherance of the purposes of this Chapter and subject to the City’s investment policies and procedures.
- D. In addition to the other duties specified herein, the Financial Advisor shall:
 - (1) Develop an annual report regarding the activities of the SPICE in furtherance of the purposes of this Chapter, which shall be approved by the Board of Directors for submission to the City Council, which may then approve the report by resolution;
 - (2) Manage and invest funds from the SPICE in accordance with the intentions of this Chapter; and
 - (3) Recommend to the Board of Directors qualified, independent investments to assist with formulation of the annual report, or to otherwise assist in the administration and management of the SPICE; and
 - (4) Perform such other duties as the Board of Directors may request during its quarterly meeting.
- D. It is the intention of the City Council that the SPICE be a dedicated funding source used for the purpose of this Chapter and in accordance with all applicable federal, State, and local laws and regulations. SPICE shall manage its own budget and investments under the direct supervision of the Financial Advisor with the oversight of the Board of Directors. The fiscal year for the SPICE will coincide with the City’s fiscal year. Accordingly, any assets remaining in the SPICE at the end of any fiscal year shall be carried into the next fiscal year, including all interest and income earned, as well as any repayments or forfeitures of loans and/or grants.

§ 15-3. Creation, Distribution, and Use of the Trust Fund’s and Revolving Loan Fund’s Assets.

- A. The SPICE will be funded through the following sources:
- (1) Qualified Investment; and
 - (2) Dividend payments from investments made by the SPICE;
 - (3) Appropriations from the City's General Fund or other City funds;
 - (4) Other sources of funding as the City Council may from time to time specify by ordinance.
- B. Funds appropriated from the SPICE shall be used to fund investment projects based within the corporate limits of the City that:
- (1) Increase economic development;
 - (2) Development of a stronger financial portfolio for the City;
 - (3) Pay the actual staffing and operation costs associated with the administrative costs of the SPICE as set forth in § 15-3(C) of this Chapter.
- C. Administrative costs of the SPICE associated with funding and administering investments specified in this Chapter may be paid from the SPICE assets or from other revenue sources as designated by the City Council as part of the City's and SPICE's annual budget processes.

SECTION 2. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that the Recitals to this Ordinance are incorporated herein and deemed a substantive part of this Ordinance.

SECTION 3. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that all other ordinances or parts of ordinances or provisions of the Code of the City of Seat Pleasant (1994 Edition, as amended) in conflict with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 4. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that the title of this Ordinance, or a condensed version thereof, shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

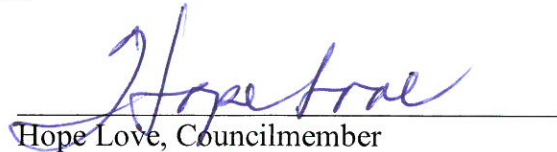
SECTION 5. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that, if any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Ordinance, it being the intent of the City Council that this Ordinance shall stand, notwithstanding the invalidity of any section,

subsection, sentence, clause, phrase or portion hereof.

SECTION 6. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that the City Clerk shall certify to the passage of this ordinance, and cause the same or, to the extent permitted by the Charter, a fair summary of the same, to be published as required by law, and that this Ordinance shall become effective at the expiration of twenty (20) days following approval by the Mayor or passage by the City Council over the Mayor's veto.

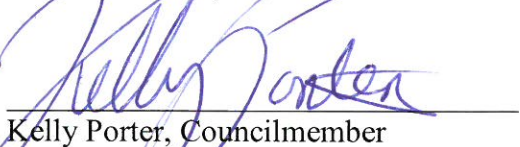
COUNCIL OF THE CITY OF SEAT PLEASANT


Charl Jones, Councilmember


Hope Love, Councilmember


Lamar Maxwell, Councilmember

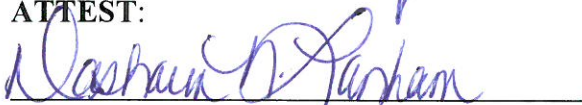

Shireka McCarthy, Councilmember


Kelly Porter, Councilmember

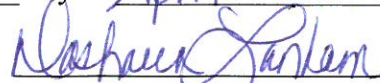

Gloria L. Sistrunk, Councilmember


Reveral L. Yeargin, Councilmember

ATTEST:


Dashaun N. Lanham, CMC
City Clerk

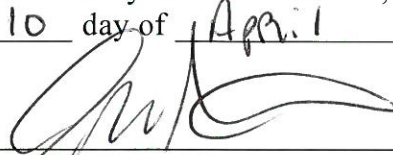
This Ordinance was presented to the Mayor for his approval or disapproval pursuant to § C-313 of the Charter of the City of Seat Pleasant this 4th day of April, 2018.



Dashaun Lanham, CMC

City Clerk

In accordance with § C-313 of the Charter of the City of Seat Pleasant, I hereby (APPROVE) (DISAPPROVE) of this Ordinance this 10 day of April, 2018.



Eugene W. Grant, Mayor

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

((Double Parenthesis)) indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike Out~~ indicates matter stricken from bill by amendment or deleted from the law by amendment.